

Message Text

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ACTION EUR-25

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4118

C O N F I D E N T I A L OTTAWA 2411

E.O. 11652: GDS

TAGS: MARR, CA

SUBJECT: BMEWS COMMUNICATIONS LINK

REF: A. STATE 157495; B. STATE 160057

1. SUMMARY. CANADIAN OFFICIALS BELIEVE THERE IS GOOD LIKELIHOOD OF A STRIKE, PERHAPS BEGINNING BY AUGUST 22, OF ITT EMPLOYEES OPERATING BMEWS COMMUNICATIONS STATIONS (CNEWS). USAF CONTINGENCY PLAN TO USE MILITARY PERSONNEL TO OPERATE SYSTEM WOULD BE POLITICALLY OBJECTIONABLE TO GOC, AND, EQUALLY IMPORTANT, WOULD BE CONSIDERED STRIKEBREAKING AND THUS ILLEGAL UNDER CANADIAN LABOR LAW WHICH GUARANTEES "RIGHT TO STRIKE" TO PROPERLY CERTIFIED UNIONS. MEETING JULY 26, (REFTEL B) DID NOT PRODUCE DECISIONS AS TO HOW FURTHER TO PROCEED, ALTHOUGH PROBLEM WAS DISCUSSED IN DETAIL. IT APPEARS USAF MAY HAVE TO CONSIDER RENEGOTIATING CONTRACT FOR ITS FINAL YEAR TO PROVIDE ADDITIONAL FUNDS IN EVENT NEGOTIATING PROCESS FAILS TO REACH AGREEMENT. WHATEVER OUTCOME OF ITT-UNION NEGOTIATIONS, STAFF WORK SHOULD BE STARTED SO THAT, IF REQUIRED, USAF CAN MOVE QUICKLY TO AVERT BREAKDOWN OF CNEWS SYSTEM DESCRIBED AS "ESSENTIAL" IN REFTEL A. END SUMMARY.

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WM AT JULY 26 MEETING AT EXTAF, USG WAS REPRESENTED BY OFFICIALS LISTED REF B, PLUS EMBOFF AND DCASO OTTAWA OFFICIALS. GOC DELEGATION CHAIRED BY EXTAF DEFENSE RELATIONS DIRECTOR MARSHALL, AND INCLUDED REPS FROM MINISTRIES OF LABOR AND DEFENSE, AND FROM CANADIAN COMMERCIAL CORPORATION (CCC). LATTER, A GOC OPERATION, IS PRIME CONTRACTOR THROUGH WHICH USAF HAS LET CONTRACT FOR CNEWS OPERATION TO ITT'S CANADIAN SUBSIDIARY.

3. LABOR MIN OFFICIAL DESCRIBED CANDIAN LAW AND STATUS OF NEGOTIATIONS. ITT WORKERS ARE MEMBERS OF INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (IBEW), CERTIFIED WITH CANADIAN LABOR RELATIONS BOARD, AND THUS ENTITLED TO COLLECTIVE BARGAINING, WHICH SPECIFICALLY INCLUDES RIGHT TO STRIKE. IN PRESENT DISPUTE, JUDGE ANDRSON, AN EXPERIENCED LABOR NEGOTIATOR, HAS BEEN NAMED CONCILIATION COMMISSIONER BY LABOR MIN. HEARINGS BEGIN AUGUST 8, AND MANDATE EXPIRES AUGUST 15 WHEN RECOMMENDATIONS ARE DELIVERED TO LABOR MIN. (BRIEF EXTENSION IS POSSIBLE IF AGREED TO BY PARTIES). THEREAFTER, A LEGAL STRIKE MAY BEGIN AFTER SEVEN DAYS, OR ABOUT AUGUST 22.

4. US REPS ASKED WHETHER DECLARATION OF CNEWS SYSTEM AS "ESSENTIAL TO SECURITY" WOULD PERMIT GOC TO INTERVENE TO PREVENT STRIKE. REPLY WAS NEGATIVE. ON RARE OCCASIONS IN STRIKES OF LONG DURATION AGAINST ESSENTIAL PUBLIC SERVICES, SPECIAL LEGISLATION HAS BEEN PASSED BY PARLIAMENT TO PREVENT TOTAL BREAKDOWN. HOWEVER, SINCE GOC HAS GUARANTEED RIGHT TO STRIKE, IT CANNOT INTERVENE BEFORE THAT RIGHT EXERCISED. IN ANY EVENT PARLIAMENT WILL NOT REOPEN UNTIL SEPTEMBER 30, AND GOC NOT PREPARED ADVANCE OPENING EVEN IN REMOTE LIKELIHOOD IT WILLING PROPOSE SUCH LEGISLATION.

5. GOC REPS ASKED HOW "ESSENTIAL" CNEWS WAS, NOTING THEIR INFORMATION THAT OTHER SYSTEMS AVAILABLE. US REPS READ PERTINENT PORTIONS REFTEL A, AND COLONEL HATLEY DESCRIBED NEED FOR DUAL ROUTING THROUGH TROPO-SCATTER SYSTEMS AND UNRELIABILITY OF CABLE CONNECTION TO THULE. CONFIDENTIAL

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GOC REPS ASKED WHY USAF HAD LET CONTRACT FOR "ESSENTIAL" FACILITY TO CIVILIAN MANAGEMENT. COL HATLEY REPLIED CONTINGENCY PLAN HAD ALWAYS BEEN TO REVERT TO MILITARY OPERATION UNDER PARA 8(B) OF 1959 BMEWS AGREEMENT, PERMITTING USG TO MAN STATIONS WITH MILITARY PERSONNEL. HOWEVER, LABOR MIN REP REITERATED THAT ESSENTIALITY NOT PERTINENT UNDER CANADIAN LAW, CITING INSTANCES WHEN GOC UNABLE

INTERVENE IN STRIKES AFFECTING CANADIAN DEFENSE
INSTALLATIONS.

6. SEVERAL OPTIONS WERE DISCUSSED.

A. OPERATION BY CANADIAN NATIONAL DEFENSE
PERSONNEL. DND REP SAID TECHNICAL SKILLS NOT
AVAILABLE. IN ANY EVENT, THIS WOULD AGAIN BE
ILLEGAL STRIKEBREAKING.

B. OPERATION BY OTHER ITT PERSONNEL. ITT CANADA
CAN MAKE AVAILABLE SOME 39 SUPERVISORY AND OTHER PERSONNEL,
WHO MIGHT KEEP SYSTEM IN OPERATION FOR UP TO 30 DAYS
BARRING MAJOR BREAKDOWN. PROPOSAL THAT ITT IMPORT
TECHNICALLY QUALIFIED PERSONNEL FROM OUTSIDE CANADA
REJECTED, SINCE THESE WOULD BE STRIKEBREAKERS UNDER
CANADIAN LAW AND INELIGIBLE FOR WORK PERMITS.

C. DCASO REP SUGGESTED USAF COULD TERMINATE
CONTRACT WITH CCC AND THEN SEEK GOC AGREEMENT IMPORT
MILITARY PERSONNEL. CCC REP NOTED THAT TERMINATION
COSTS WOULD PROBABLY EXCEED PRESENT CONTRACTUAL
OBLIGATIONS. TERMS OF CONTRACT PREVENT DEFAULT ACTION
DUE TO LABOR DISPUTES.

7. US REPS POINTED OUT THAT USAF CONTINGENCY PLAN--TO
MAN STATIONS WITH US MILITARY PERSONNEL--WAS BLOCKED
BECAUSE OF GOC POLITICAL CONSIDERATIONS, AND URGED THAT
CANADIAN CABINET BE ASKED TO RE-EXAMINE POLITICAL ASPECTS
OF STRIKE AGAINST AN IMPORTANT DEFENSE COMMUNICATIONS
NETWORK. CANADIAN REPS NOTED (A) THAT CABINET, DESPITE
IMPRESSIVE ELECTORAL VICTORY, WOULD BE UNLIKELY APPROVE
INTRODUCTION OF US MILITARY TO REPLACE STRIKING CANADIANS;
(B) THAT EVEN SHOULD CABINET CONSIDER SUCH ACTION IT WOULD
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BE PROLONGED PROCEDURE; (C) THAT CABINET DECISION TO THIS
EFFECT WOULD CONTRAVENE CANADIAN LAW, AND THUS BE
UNACCEPTABLE.

8. MOST OBVIOUS, AND PERHAPS ONLY FEASIBLE OPTION IS
TO SEEK VIABLE SETTLEMENT BETWEEN ITT AND UNION. CCC REP
SAID LABOR COSTS FOR FINAL YEAR OF ITT-IBEW CONTRACT
WOULD BE ABOUT 1.3 MILLION DOLLARS. ITT HAS OFFERED
16 PERCENT OVER TWO-YEAR PERIOD. IBEW HAS ASKED ABOUT
60 PERCENT, PRESUMABLY OVER SAME PERIOD. LABOR MIN
REP CAUTIONED AGAINST ANY INDICATION TO ITT OR WORKERS
THAT USAF MIGHT BE PREPARED ASSUME ANY INCREASED COSTS.
HE SUGGESTED, HOWEVER, THAT SHOULD USAF INDICATE TO ITT,
THROUGH CCC, THAT THERE WOULD BE NO OBJECTION TO A ONE-YEAR
LABOR CONTRACT, UNION MIGHT BE PREPARED MITIGATE ITS DEMANDS.

ALTHOUGH USAF POLICY IS GENERALLY AGAINST ONE-YEAR LABOR CONTRACTS, IN THIS INSTANCE IT WOULD APPEAR USEFUL, PARTICULARLY SINCE LABOR CONTRACT WOULD THEN EXPIRE IN AUGUST, 1975, WHEN USAF CONTRACT WITH CCC WILL TERMINATE.

9. WHILE RECOGNIZING UNFORTUNATE PRECEDENT THIS MAY SET, EMBASSY BELIEVES THAT USAF MAY EVENTUALLY HAVE TO CONSIDER RENEGOTIATION OF CONTRACT WITH CCC FOR THIS FINAL YEAR TO PROVIDE ADDITIONAL FUNDS FOR ITT. IT NOT YET CLEAR WHAT SUM WILL BE INVOLVED.

A. NEGOTIATIONS NOT COMPLETE. CCC REP BELIEVES ITT BARGAINING IN GOOD FAITH AND WILL SEEK BEST AVAILABLE SETTLEMENT.

B. WHATEVER ITT'S "BEST OFFER" IS, USAF SHOULD BE ABLE HOLD ITT TO AT LEAST THAT AMOUNT.

10. EMBASSY RECOMMENDS USAF COMMENCE STAFF WORK IN PREPARATION POSSIBLE NECESSITY RENEGOTIATE CNEWS CONTRACT WITH CCC ON URGENT BASIS. SHOULD LABOR NEGOTIATIONS FAIL, USAF SHOULD BE READY MAKE CONTACT WITH ITT TO DISCUSS SUMS INVOLVED, AND ITT'S RESPONSIBILITIES IN MEETING THEM. EXTAFF HAS PROMISED KEEP EMBASSY CURRENTLY INFORMED OF JUDGE ANDERSON'S PROGRESS.

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QQM AT TERMINATION OF CONTRACT IN AUGUST 1974, USAF MIGHT THEN AVAIL ITSELF OF MANNING CNEWS WITH MILITARY PERSONNEL (SINCE "STRIKEBREAKING" WOULD NOT BE ISSUE); OR TO SEEK MORE FLEXIBLE CONTRACT THROUGH CCC WITH ITT, OR A COMPETITOR. FOR PRESENT, HOWEVER, IF CNEWS IS INDEED ESSENTIAL, AMBASSY PERCEIVES NO VIABLE COURSE OF ACTION OTHER THAN AS DESCRIBED IN PARAS 8,9, AND 10 ABOVE.
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